AGENDA ITEM SUBMITTAL FORM
BOARD OF SUPERVISORS
CLERK OF THE BOARD
44 N. San Joaquin Street, Suite #627
Stockton, California 95202

SUBMIT ONE COPY OF THIS FORM WITH EACH BOARD AGENDA ITEM.

At the time of submitting your agenda item documents, please provide ONE ORIGINAL & 7 COPIES OF THE BOARD LETTER AND ANY ACCOMPANYING DOCUMENTS (Resolutions, Board Orders, Contracts, etc.) for distribution after Board Approval.

If more than one original is required, you must provide the appropriate number of originals to be executed by the Board of Supervisors.

DATE: May 22, 2014
DEPARTMENT: San Joaquin General Hospital
CONTACT & PHONE #: Sheila – 468-6621

AGENDA ITEM TITLE: Approval to Upgrade McKesson Pathways/Horizon Materials Management and Surgical Management System at a Cost of $340,500

PROPOSED AGENDA PLACEMENT DATE: June 10, 2014
PROPOSED CALENDAR: Consent – Health & Human Services

DISTRIBUTION: (MAILING ADDRESSES MUST BE PROVIDED IF NOT A COUNTY DEPARTMENT)

TO: DOCUMENT # OF COPIES
Auditor-Controller Agreement/Board Order 1
Information Systems Division Agreement/Board Order 1
Purchasing & Support Services Agreement/Board Order 1
San Joaquin General Hospital Agreement/Board Order 1 Original
Clerk of the Board Agreement/Board Order Original

Special instructions to the Clerk of the Board:

AGENDA ITEMS MUST BE REVIEWED AND SIGNED OFF BY THE DEPARTMENT HEAD, COUNTY ADMINISTRATOR AND COUNTY COUNSEL.

Department Head Signature Date 5/24/14

May 22, 2014

Board of Supervisors
County Administration Building
Stockton, California

Dear Board Members:

**APPROVAL TO UPGRADE MCKESSON PATHWAYS/HORIZON MATERIALS MANAGEMENT AND SURGICAL MANAGEMENT SYSTEM AT A COST OF $340,500**

**RECOMMENDATION:**

It is recommended that the Board of Supervisors approve and authorize the Chief Executive Officer (CEO) of San Joaquin General Hospital (SJGH) to sign the contract supplements for the upgrade of SJGH's Materials Management and Surgical Management system and the purchase of a new patient tracking module within the Surgical Management System at a cost of $340,500. The contract supplements pertain to Master Information System Agreement No. C0709302 between McKesson and SJGH that the Board of Supervisors previously approved March 2007, and include costs for software licensing, programming, interfaces, implementation, and training.

**REASON FOR RECOMMENDATION:**

The present versions of the McKesson applications in use at SJGH are based on Windows XP - generation technology and have been superseded by versions compatible with Windows 7 and Windows 8. Microsoft recently discontinued further security updates to Windows XP and PC manufacturers no longer sell models that support that operating system. The McKesson version upgrades are necessary so that its applications can continue to function on current generation servers and workstations.

The upgraded applications include enhancements that will enable the Surgery Department to reduce surgical item errors that result in lost charges, simplify supply verification for multiple procedures or cancelled cases, and enhance perioperative charting screens to meet the regulatory requirements and best-practice recommendations from the Joint Commission, the World Health Organization, and the Center for Medicare and Medicaid Services.
Operative reports in the new version have been reformatted to improve communication among caregivers, especially pertaining to medication administration and intake and output information. All observations are recorded and viewed on one screen, eliminating extra screens and frames. Synthesizing data entry and review on a single screen improves system performance and ease of use for the clinician.

The purchase of the new patient tracking module will enable the Surgery Department to improve its internal workflow. Patient tracking uses visual cues to broadcast real-time, at-a-glance information about patient status in a Health Insurance Portability and Accountability Act-compliant manner. Information aggregated from clinical, registration/admitting, housekeeping, transport, and other sources is displayed on large, electronic whiteboards throughout the Hospital. This helps drive organizational alignment by putting everyone on the same page, ensures process compliance by increasing transparency and accountability, and promotes pro-active behavior by enabling staff to anticipate what they need to do next. Reports will be generated that will give managers and supervisors an increased ability to measure productivity during specific phases of surgical cases and ancillary activities.

The purchase of the Tissue Manager module will ensure compliance with recently expanded Joint Commission and Food and Drug Administration regulations concerning tissue tracking and device implant management. This module allows staff to document critical information during each step of the tissue management process and creates a reliable audit trail of all activities associated with implants and tissue tracking workflow. Proper implementation and use of this module will reduce costs by minimizing wasted inventory.

McKesson applications conform to industry standards for design and interoperability with other modules of Hospital Information Systems. They are installed in hundreds of hospitals and health care agencies nationwide, and are currently rated number one by actual users of Materials Management and Surgery Scheduling applications in KLAS (the largest independent research site dedicated to the healthcare industry).

McKesson has proposed two contract supplements that would update SJGH's Pathways Materials Management and Horizon Surgical Manager system to current Supply Chain Management and Horizon Surgical Manager modules and add the Patient Tracking and Tissue Management modules to the McKesson applications in use at SJGH. The San Joaquin County Director of ISD has reviewed and supports the recommendation.
FISCAL IMPACT:

In aggregate, the two contract supplements cost $250,895 (not including sales tax). This is composed of $178,589 in implementation / professional services, $3,207 in third-party software costs, $50,750 in software perpetual license cost (for Patient Tracker and Tissue Manager), $5,415 in specialty hardware, $10,150 in first-year annual maintenance cost and an estimated $2,784 in time and materials fees associated with remote web support sessions.

Five new computer servers will be necessary to support the new applications and their web-based capabilities. Three of those servers will be virtual machines and two will be physical database servers. The costs associated with these servers (hardware, software, and support agreements) are in addition to the McKesson contract supplement costs and are estimated to be $67,000 and will replace the present systems that are more than seven years old. SJGH already has the VMWare infrastructure to host the new Virtual Machine servers and may purchase the physical servers from an alternate vendor if they offer better pricing than McKesson.

The total cost, including sales tax, is approximately $340,000. There are sufficient funds contained in the approved 2013-14 Hospital Enterprise Fund budget for both the contract supplements and the anticipated servers needed so that there is no additional cost to the County General Fund.

ACTION TO BE TAKEN FOLLOWING APPROVAL:

Upon approval by the Board of Supervisors, the SJGH CEO will execute the contract supplements to the McKesson Master Information System Agreement to cover this system upgrade and new module purchase and direct appropriate purchase requisitions be generated to cover the costs associated with this project.

Sincerely,

David K. Culberson
Chief Executive Officer
San Joaquin General Hospital
Before the Board of Supervisors
County of San Joaquin, State of California

B-_______

MOTION:

APPROVAL TO UPGRADE MCKESSON PATHWAYS/HORIZON MATERIALS MANAGEMENT AND SURGICAL MANAGEMENT SYSTEM AT A COST OF $340,500

THIS BOARD OF SUPERVISORS DOES HEREBY approve and authorize the Chief Executive Officer (CEO) of San Joaquin General Hospital (SJGH) to sign the contract supplements for the upgrade of SJGH's Materials Management and Surgical Management system and the purchase of a new patient tracking module within the Surgical Management System at a cost of $340,500. The contract supplements pertain to Master Information System Agreement No. C0709302 between McKesson and SJGH that the Board of Supervisors previously approved March 2007, and include costs for software licensing, programming, interfaces, implementation, and training.

I HEREBY CERTIFY that the above order was passed and adopted on ________________ by the following vote of the Board of Supervisors, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

MIMI DUZENSKI
Clerk of the Board of Supervisors
County of San Joaquin
State of California
Contract Supplement


THIS CONTRACT SUPPLEMENT, including all Exhibits, Schedules, and Attachments hereto and incorporated herein (this "Contract Supplement") amends the agreement identified above including all Exhibits, Schedules, and Attachments thereto, and as amended (the "Agreement"), and is made effective as of this ______ day of ______________, 2014 (the "CS Effective Date"). Unless otherwise expressly set forth in this Contract Supplement, the terms and conditions set forth in this Contract Supplement apply only to the Facilities, Software, and/or Services listed herein. To the extent that this Contract Supplement conflicts with the Agreement, the terms and conditions of this Contract Supplement shall control. Where not in conflict, all applicable terms and conditions set forth in the Agreement are incorporated herein.

EXHIBITS

A Facilities, Fees Summary, Payment Schedule and Administration
A-1 Software & Software Maintenance Services Fee Schedule
A-2 Software & Software Maintenance Services Terms
B-1 Implementation and Education Services Fee Schedule
B-2 Implementation and Education Services Terms
C-1 Reserved
D-1 Additional Terms

The pricing in this Contract Supplement and McKesson's corresponding offer to Customer expires unless McKesson receives this Contract Supplement signed by Customer on or before June 30, 2014.

McKesson will include Customer's purchase order ("PO") number on Customer invoices if provided by Customer on or before the CS Effective Date. If this Contract Supplement includes an amount equal to or greater than $10,000, a copy of Customer's purchase order(s) must be attached. Failure to provide McKesson with a PO number or copy does not suspend or negate any Customer duty including payment, under this Contract Supplement. Pre-printed terms and conditions on or attached to Customer's PO shall be of no force or effect.

By signing this Contract Supplement, Customer acknowledges and agrees that (a) McKesson has made no warranty or commitment with regard to any functionality not Generally Available as of the CS Effective Date, whether or not included as part of Software Maintenance Services, for any of the Software licensed in this Contract Supplement, (b) Customer has not relied on the availability of any future version of the purchased Product or any other future Product in executing this Contract Supplement and (c) the decision by Customer to execute this Contract Supplement was not influenced by any discussions regarding future functionality of any Software or Services not Generally Available.

[Signature page follows.]
Each signatory hereto represents and warrants that it is duly authorized to sign, execute, and deliver this Contract Supplement on behalf of the party it represents.

SAN JOAQUIN GENERAL HOSPITAL

By:______________________________
Name:______________________________
Title:______________________________
Date:______________________________
Customer PO. No.__________________

MCKESSION TECHNOLOGIES INC.

By:______________________________
Name: Helgi Erickson
Title: ABOT Executive, Surgery
Date: 5/16/2014

Approved as to Form
DAVID WOOTEN
County Counsel

By:______________________________
Assistant County Counsel

May 9, 2014
EXHIBIT A

FACILITIES, FEES SUMMARY, PAYMENT SCHEDULE AND ADMINISTRATION

FACILITIES:

<table>
<thead>
<tr>
<th>Customer No.</th>
<th>Data Center Facility</th>
<th>Full Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>1013274</td>
<td>San Joaquin General Hospital</td>
<td>500 West Hospital Road</td>
</tr>
<tr>
<td></td>
<td></td>
<td>French Camp, CA 95231</td>
</tr>
</tbody>
</table>

Customer No. | Facility                  | Full Address                        |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1013274</td>
<td>San Joaquin General Hospital</td>
<td>500 West Hospital Road</td>
</tr>
<tr>
<td></td>
<td></td>
<td>French Camp, CA 95231</td>
</tr>
</tbody>
</table>

(NOTE: It is not necessary to list offices of physicians or other caregivers with privileges at a Facility.)

FEES SUMMARY:

<table>
<thead>
<tr>
<th>Products and Services</th>
<th>One-Time Fees</th>
<th>Recurring Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software (Perpetual):</td>
<td>$50,750</td>
<td>$10,150</td>
</tr>
<tr>
<td>Implementation Services:</td>
<td>$29,754</td>
<td></td>
</tr>
<tr>
<td>Equipment:</td>
<td>$5,415</td>
<td></td>
</tr>
<tr>
<td>Technology Services:</td>
<td>$150</td>
<td></td>
</tr>
<tr>
<td>GRAND TOTALS:</td>
<td>$86,069</td>
<td>$10,150</td>
</tr>
</tbody>
</table>

PAYMENT SCHEDULE:

Software: 50% is due at project kick off and 50% is due the week of the Live Date.

Software Maintenance Services: The first annual Software Maintenance Services fee is due on the earlier of the Live Date or 12 months after the CS Effective Date. Subsequent annual Software Maintenance Services fees will be due annually in advance.

Implementation Services: Fixed Fee: 50% is due week one of the commencement of the upgrade services pursuant to Contract Supplement No. 1-1774E3 and 50% is due the week of the Live Date.

Equipment: Equipment: Payment in full for each component of the Equipment is due on its delivery.

Shipping and Handling: Shipping and handling charges will be listed separately on the invoice for the corresponding Equipment and are due upon Equipment delivery. Shipping and handling charges are not included in the amounts listed on Exhibit C-1.

Warranty Uplift: For each component piece of the Equipment to which the Warranty Uplift applies, payment in full is due on the Equipment delivery date of that component piece

Technology Services: Professional Services: 100% is due on the CS Effective Date
The transaction covered by this Contract Supplement may involve a discount, rebate or other price reduction on the items covered by this Contract Supplement. Customer may have an obligation to report such price reduction or the net cost in its cost reports or in another appropriate manner in order to meet the requirements of applicable federal and state anti-kickback laws, including 42 U.S.C. Sec. 1320a-7b(b)(3)(A) and the regulations found at 42 C.F.R. Sec. 1001.952(g) and (h). Customer will be responsible for reporting, disclosing, and maintaining appropriate records with respect to such price reduction or net cost and making those records available under Medicare, Medicaid, or other applicable government health care programs.

Unless Customer provides McKesson prior to the CS Effective Date satisfactory evidence of exemption (including evidence of renewal if applicable) from applicable sales, use, value-added, or other similar taxes or duties, McKesson will invoice Customer for all such taxes applicable to the transactions under this Contract Supplement.

ADMINISTRATION:

Sold To:
San Joaquin General Hospital
500 West Hospital Road
French Camp, CA 95231
Attention: Don Johnston
Telephone: (209) 468-6790
Facsimile: (209) 468-6546
E-mail: djohnston@sjgh.org

Bill To:
San Joaquin General Hospital
Attn: Accounts Payable
PO Box 1499
French Camp, CA 95231
Attention: Don Johnston
Telephone: (209) 468-6790
Facsimile: (209) 468-6546
E-mail: djohnston@sjgh.org

Ship To: Software licensed under this Contract Supplement will be delivered via electronic delivery or physical media.
San Joaquin General Hospital
500 West Hospital Road
French Camp, CA 95231
Attention: Don Johnston
Telephone: (209) 468-6790
Facsimile: (209) 468-6546
E-mail: djohnston@sjgh.org

Paid By:
San Joaquin General Hospital
500 West Hospital Road
French Camp, CA 95231
Attention: Don Johnston
Telephone: (209) 468-6790
Facsimile: (209) 468-6546
E-mail: djohnston@sjgh.org
Facilities Included in pricing:
San Joaquin General Hospital-Customer #1013274

<table>
<thead>
<tr>
<th>Software Product No.</th>
<th>Software Maint Services No.</th>
<th>Module / Description</th>
<th>Third Party Software</th>
<th>List Software License Fee</th>
<th>Net Software License Fee (excluding SW Maint.)</th>
<th>List Annual Recurring Term License Fee</th>
<th>Net Annual Recurring Term License Fee (excluding SW Maint.)</th>
<th>Annual Software Maintenance Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>71004122</td>
<td>73017862</td>
<td>Horizon Tissue Manager(TM)</td>
<td>$35,000</td>
<td>$17,500</td>
<td>N/A</td>
<td>$3,500</td>
<td>N/A</td>
<td>$3,500</td>
</tr>
<tr>
<td>71002375</td>
<td>73007860</td>
<td>McKesson Surgical Manager Patient Tracking Module</td>
<td>$66,500</td>
<td>$33,250</td>
<td>N/A</td>
<td>$6,650</td>
<td>N/A</td>
<td>$6,650</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Software</th>
<th>Software Maint Services</th>
<th>Module / Description</th>
<th>Third Party Software</th>
<th>List Software License Fee</th>
<th>Net Software License Fee (excluding SW Maint.)</th>
<th>List Annual Recurring Term License Fee</th>
<th>Net Annual Recurring Term License Fee (excluding SW Maint.)</th>
<th>Annual Software Maintenance Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>71004122</td>
<td>73017862</td>
<td>Horizon Tissue Manager(TM)</td>
<td>$35,000</td>
<td>$17,500</td>
<td>N/A</td>
<td>$3,500</td>
<td>N/A</td>
<td>$3,500</td>
</tr>
<tr>
<td>71002375</td>
<td>73007860</td>
<td>McKesson Surgical Manager Patient Tracking Module</td>
<td>$66,500</td>
<td>$33,250</td>
<td>N/A</td>
<td>$6,650</td>
<td>N/A</td>
<td>$6,650</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total List Software License Fee</th>
<th>Total Net Software License Fee (excluding SW Maint.)</th>
<th>Total Annual Recurring Term License Fee</th>
<th>Total Net Annual Recurring Term License Fee (excluding SW Maint.)</th>
<th>Total Annual Software Maintenance Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Time McKesson Software</td>
<td>$101,500</td>
<td>$50,750</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>One Time Third Party Software</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Interface License Fees</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Subtotal One Time Software</td>
<td>$101,500</td>
<td>$50,750</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Term McKesson Software</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Term Third Party Software</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Subtotal Term Software</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$101,500</td>
<td>$50,750</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
**General Assumptions:**

Statistics that contribute to the pricing are noted below

<table>
<thead>
<tr>
<th>Product Family</th>
<th>SAP Code</th>
<th>Product Description</th>
<th>Term</th>
<th>Quantity Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>McKesson Surgical Manager</td>
<td>71004122</td>
<td>Horizon Tissue Manager</td>
<td>N/A</td>
<td>7 Procedure Locations</td>
</tr>
<tr>
<td></td>
<td>71002375</td>
<td>Patient Tracking</td>
<td>N/A</td>
<td>7 Procedure Locations</td>
</tr>
</tbody>
</table>

Facilities included in pricing:

San Joaquin General Hospital: Customer #1013274 / # of Licensed Beds: 205 / Operating Expense = $204M / # of Discharges: 7535

An Operating Expense of $204 million dollars was used to calculate applicable products.
SECTION 1: SOFTWARE MAINTENANCE TERM

1.1 The initial term for Software Maintenance Services (the “Initial SWM Term”) begins upon the CS Effective Date and continues (i) for perpetual Software licenses, for five years, and (ii) for term Software Licenses, for the initial term as set forth in the Contract Supplement. Unless otherwise set forth in the contract Supplement, the Initial SWM Term for perpetual and term licenses will automatically renew for successive one year periods, unless either party provides the other with written notice of termination of Software Maintenance Services no less than three months prior to the end of the then-current term. McKesson will invoice Customer for Software Maintenance Services annually in advance for each 12-month period. Termination is effective as of the next annual payment due date, and no refund or credit will apply in the event of early termination of Software Maintenance Services. Annual Software Maintenance Services fees will be prorated on a 365-day calendar year.
EXHIBIT B-1
IMPLEMENTATION AND EDUCATION SERVICES LIST

San Joaquin General Hospital
Customer Number: 1013274
Opportunity Number: 1-1JBANL

Scope of Services

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Fixed Fees</th>
<th>Estimated List T&amp;M Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>86000048 McKesson Surgical Manager</td>
<td>$</td>
<td>$29,754</td>
</tr>
<tr>
<td>Patient Tracking Module - For 1 Facility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Horizon Tissue Manager Implementation - For 1 Facility</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activation Support (Included in MSM Base Implementation Fees): PM, Remote for 3 Days; IC Onsite for 3 Days; IA, Remote for 3 Days; TPM, Remote for 3 Days</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Interfaces Between McKesson Products**

86000048 McKesson Surgical Manager
Supply Chain Management Item Master Import Services
Supply Chain Management
(Supply Chain Management) Item Master Import Services

**Totals** $29,754

**Total, Fixed and Time and Material Fees** $29,754
GENERAL ASSUMPTIONS

Services quoted are for McKesson Implementation Services only at the facilities listed below and any Implementation Services at Customer facilities other than those listed below must be quoted separately.

Contracting Entity Business Name: San Joaquin General Hospital

Implementation Services apply to the following Customer Facilities and no other:

San Joaquin General Hospital

Definitions:

Fixed Fee

Means any predetermined prevailing rate(s) charged by McKesson for the provision of Implementation Services set forth on the applicable contract.

INTERFACE AND CONVERSION ASSUMPTIONS

Interface pricing herein assumes the following interface engine system(s) will be used: Non-McKesson I/F Engine

Unless otherwise specifically listed in the Scope of Services, interface or data conversion services are not included in the Implementation Services pricing.

Pricing for interfaces to non-McKesson third-party systems assumes that Customer will work with third-party vendors to adapt the third-party interfaces to current McKesson interface specifications.

Pricing for interfaces and integration is provided without knowledge of the order of implementation of the Products. Once the implementation order is established, some interfaces may not be needed, while others not identified may be required. If additional interfaces not listed herein are determined by Customer to be required (and are Generally Available from McKesson), Additional Implementation Service Fees may be required.

All interfaces will activate no later than their related products, unless by mutual agreement of McKesson and Customer, or where specifically noted herein. If this is not the case, Additional Implementation Service Fees may be required.

Unless otherwise specifically stated in the Scope of Services pricing assumes all facilities will go live on interfaces concurrently. If this is not the case Additional Implementation Service Fees may apply.

EPM / PMO ASSUMPTIONS

Program Management Office (PMO) senior-level project management services are not included. Additional project management services are appropriate and available for additional fees if the Customer will be deploying multiple applications requiring senior-level project management oversight. These PMO services can be quoted upon request.

Product-Specific Assumptions

McKesson Surgical Manager

Customer may stagger department/facility Activations, but Activation support by McKesson resources is priced herein for the first Activation occurrence only. If additional Activation support services for subsequent Activations are desired, they should be requested with reasonable advance notice to McKesson, and Additional Service Fees will be required.
For Horizon Tissue Manager, base price includes 3 Alerts that will be created by McKesson during the implementation process. Additional services may be required if more than 3 alerts are needed. Legacy data to be converted must be provided in McKesson standard format. Format requirements will be provided at the time of implementation or upon request. For MSM Schedule & Case Needs Integration, Customer must be on release 14.0.2 of HSM.

Services for Horizon Tissue Manager do not include any updates to the perioperative chart. If changes to this are needed, they will need to be contracted separately.
EXHIBIT B-2

IMPLEMENTATION AND EDUCATION SERVICES TERMS

This Exhibit B-2 applies to all Implementation Services purchased by Customer on this Contract Supplement.

SECTION 1: IMPLEMENTATION SERVICES AND FEES

1.1 Scope of Implementation Services

1.1.1 McKesson will provide, and Customer will accept, the Implementation Services at the Facility(ies) or Data Center(s) set forth on this Contract Supplement in order to facilitate Customer’s installation and use of the applicable Products, Third Party Products, or Services. McKesson will provide such Implementation Services in accordance with the McKesson Implementation Services Guide, Implementation Services Methodology, Implementation Services Project Plan and all other terms included in this Exhibit B-2 and Customer will pay for the same at the applicable Implementation Services Fee(s) set forth on this Contract Supplement.

1.1.2 Fixed Fee(s), Time and Materials Fee(s), and Additional Fee(s) do not include McKesson’s travel and living expenses which Customer will pay in addition to the foregoing.

1.1.3 McKesson will provide, and Customer will accept, Additional Implementation Services requested by Customer as set forth on this Contract Supplement for Additional Implementation Services, and Customer will pay for the same at the applicable Additional Implementation Services Fee(s) set forth on this Contract Supplement.

1.1.4 McKesson will provide and describe on McKesson’s invoices, and Customer will accept, any Additional Implementation Services required to be performed by McKesson as a result of the existence of Additional Implementation Services Conditions, and Customer will pay for the same at the applicable Additional Implementation Services Fee(s) set forth on McKesson’s invoices.

1.1.5 Unless otherwise expressly set forth in this Contract Supplement, McKesson’s Software license fee(s), Fixed Fee(s), Time and Materials Fee(s), and applicable Additional Services Fee(s) include fees for any McKesson Interface(s), but do not include any fees for any Non-McKesson Interface(s), or McKesson providing, developing, or adapting any Interface Engine(s), or any Interface Engine services, including providing translations, communications protocols, or filtering services.

1.1.6 Unless otherwise expressly set forth in this Contract Supplement, Fixed Fee(s), Time and Materials Fee(s), and Additional Fee(s) do not include McKesson providing, developing, adapting, or altering any Data Conversion(s). If Data Conversion(s) are set forth in this Contract Supplement, McKesson will provide the same using McKesson’s standard conversion software, specifications, and user guides.

1.1.7 Unless otherwise expressly set forth in this Contract Supplement, Fixed Fee(s), Time and Materials Fee(s), and Additional Fee(s) for Implementation Services involving training and education assume; (a) Implementation Services associated with Software must be used by Customer within the earlier of six months after Live Date for the Software or related suites of Products or Services, or 18 months after the CS Effective Date, with no refunds or credits being due Customer for the same, (b) McKesson will train a single Customer team which is responsible for education and training of other Customer users (“train the trainer” approach), (c) McKesson will not provide education and training for non-McKesson products, including: Microsoft SQL Server®, ORACLE®, Windows®, UNIX®, and LINUX™), Business Objects® and Crystal Reports®, and if education and training for the same are required by Customer as listed in McKesson Implementation Services Guide, then Customer will purchase and obtain the same from an appropriate third party provider, and (d) any distance learning
education and training provided by McKesson will use Internet protocol audio or teleconferencing with the majority of such education and training provided using internet protocol audio.

1.1.8 Learning Units or Bank of Learning Units, if any, purchased by Customer will be identified on the Contract Supplement and will be redeemed for training to be provided by McKesson in accordance with this Exhibit B-2. Learning Units or Bank of Learning Units associated with Software必须 be used by Customer within the earlier of 12 months after the Live Date or 24 months after the CS Effective Date, with no refunds or credits being due Customer for the same. Customer is entitled to no rights of exchange with respect to Learning Units for other offerings within Customer Education Solutions related to other Products or Services without the express written consent from McKesson, in McKesson’s sole discretion; provided, that Bank of Learning Units may be exchanged within the specified time period for any qualifying offerings within McKesson’s Customer Education Solutions. Learning Units and Bank of Learning Units are decremented as training is delivered.

1.2 Implementation Services Project Plan. Unless otherwise expressly set forth in this Contract Supplement, agreed by the parties in writing, or made unnecessary by the nature of the Implementation Services, McKesson and Customer will have a Kick-Off Meeting ("Kick-Off Meeting") no later than 60 days before the start of Customer “build” training to discuss joint development of the Implementation Services Project Plan, and jointly will complete development of the Implementation Services Project Plan no later than 30 days before beginning of Customer “build” training. The Implementation Services Project Plan will be developed jointly by Customer and McKesson in accordance with: (a) the Implementation Services set forth in this Contract Supplement, (b) the Implementation Services methodology and all other provisions set forth in the McKesson Implementation Services Guide, (c) all assumptions, requirements, or representations relied upon by McKesson in determining the Implementation Services Fee(s), (d) Customer’s Responsibilities, and (e) all other terms set forth in this Exhibit B-2.

1.3 Implementation Services Project Changes. The parties agree that it is in their mutual interest to complete the Implementation Services Project Plan activities on the agreed schedule and each agrees to dedicate sufficient resources toward this goal. In the event one or both parties believe that changes are needed to the Implementation Services Project Plan or any of the dates identified in the Implementation Services Project Plan or there is an unavoidable delay, the party requesting the change will comply with the Change Control Process and promptly notify the other party of the nature of the change request, reason for the request, and identify all effects on the delivery of the Implementation Services including any schedule changes. Each party agrees to provide the other party’s designated individual with prompt notice of all such changes; Customer shall reimburse McKesson for the out-of-pocket costs of all unavoidable expenses such as airline tickets.

1.4 Implementation Services Delays or Cancellation. If Customer (a) reschedules the Live Date, or (b) causes a delay or Additional Implementation Services Conditions such that McKesson is unable to complete the Implementation Services by the Live Date, then McKesson and Customer agree to negotiate a revised Live Date and Implementation Services Project Plan, including any Additional Implementation Services Fee(s) to be paid by Customer resulting from such revision. If Customer cancels the delivery of Implementation Services, then McKesson and Customer agree to negotiate any cancellation fee(s) to be paid by Customer resulting from such cancellation. McKesson will invoice Customer for any such Additional Implementation Services Fee(s) or cancellation fee(s) at the end of the month in which such revision is negotiated. If McKesson through no fault of the Customer (a) reschedules the Live Date, or (b) causes a delay or Additional Implementation Services Conditions such that McKesson is unable to complete the Implementation Services by the scheduled Live Date, then McKesson and Customer agree to negotiate a revised scheduled Live Date, at no additional cost to the Customer beyond previously contracted services, including any Additional Implementation Services that may be required to bring the Implementation back on schedule with the revised scheduled Live Date.

1.5 Multi-Facility and Multi-Data Center Implementations. For Implementation Services involving more than one Facility or Data Center, McKesson and Customer will form a single centralized
Implementation Services team (operating at one location) to plan, design, build, and test all Facilities or Data Centers set forth in this Contract Supplement (a) concurrently on one centralized server-configuration, (b) with simultaneous dates to begin Implementation Services, and (c) closely scheduled Live Dates at each Facility or Data Center.

1.6 **Full Deployment of Products, Third Party Products, or Services.** Implementation Services do not include full production deployment of Products, Third Party Products, or Services.

1.7 **Customer’s Responsibilities.** Customer acknowledges that McKesson’s provision of Implementation Services is dependent on Customer fully performing its Customer Responsibilities, including: (a) using Microsoft® Project and Visio® and requiring its employees or representatives working on the Implementation Services Project Plan to become proficient in the use of these programs prior to the kick-off meeting for Implementation Services planning, (b) providing McKesson with network connectivity, analog phone line or an equivalent internet access option, dial-in access capability, internet protocol addresses, dedicated electrical outlets, and reasonable work and meeting space in preparation for the Product or Services installation, (c) providing mutually agreed-upon access to servers for McKesson via the McKesson CareBridge™ Secure Extranet or other McKesson-supported options at McKesson’s discretion, (d) providing McKesson with all Interfaces Engines, Non-McKesson Interface(s), and activating all McKesson Interface(s), Non-McKesson Interfaces, and Interface Engines no later than activation of their related Products or Services, (e) purchasing or licensing and installing all other non-McKesson provided software and hardware, including, all network communications, including maintenance, monitoring of logs, backups, and routine patch applications, (f) providing data or information in the format specified by McKesson for any Data Conversion(s) expressly set forth in this Contract Supplement, (g) providing all other appropriate personnel, resources, organizational support, and attendance at training as recommended in the McKesson Implementation Services Guide, and (h) driving complete adoption by Customer users and completing full production deployment of all Products and Services, including all workflows and pre-built Product or Services content. Any unauthorized changes made by Customer to the staged environment (e.g., Operating System updates, starting/stopping system services, adding/removing software, and the like) may result in additional fees for rework and possibly delay the implementation described in the Implementation Services Project Plan.

**SECTION 2: DEFINITIONS**

“**Additional Implementation Services**” means any Implementation Services provided by McKesson resulting from the conditions set forth below in (a), (b), or (c) of Additional Implementation Services Conditions.

“**Additional Implementation Services Conditions**” means (a) any change or modification to Implementation Services not due to McKesson’s fault, (b) inaccurate assumptions, requirements, or representations relied upon by McKesson in determining the scope of Implementation Services and resulting Fixed Fee(s) or Time and Materials Fee(s) set forth on this Contract Supplement, or (c) failure of Customer to fulfill Customer Responsibilities.

“**Additional Implementation Services Fee**” means McKesson’s prevailing rate(s) charged for Additional Implementation Services.

“**Bank of Learning Units**” means a quantity of Learning Units purchased without specific education courses identified.

“**Customer Responsibilities**” means those resources, personnel, software, hardware, systems, network, Non-McKesson Interface(s) Interface Engine(s), or any other deliverables required from Customer as set forth in this Contract Supplement, McKesson Implementation Services Guide, Implementation Services Project Plan, or otherwise in this Exhibit B-2.
“Data Conversion” means the conversion of discreet data from an existing format or system to a McKesson format or system.

“Fixed Fee” means any predetermined prevailing rate(s) charged by McKesson for the provision of Implementation Services set forth on this Contract Supplement.

“Implementation Services” means the implementation services, training and education listed in this Contract Supplement to be performed by McKesson for Customer in accordance with this Exhibit B-2, which may include software loading, data conversion, software interface services, software testing assistance, Equipment installation, services set-up, and training.

“Implementation Services Fee” means the Fixed Fee(s) and Time and Materials Fee(s) set forth in this Contract Supplement charged by McKesson for providing Implementation Services, but not including any Additional Services Fee(s).

“Implementation Services Methodology” means the phases used by McKesson in providing Implementation Services set forth in the McKesson Implementation Services Guide, including; (a) project planning and management, (b) access and design, (c) build-out, (d) testing, (e) training, (f) activating, and (g) transitioning the applicable Products or Services to Customer, with each phase including objectives and activities required of both Customer and McKesson.

“Implementation Services Project Plan” means the plan jointly developed by McKesson and Customer in accordance with this Contract Supplement, Implementation Services Methodology, McKesson Implementation Services Guide, and this Exhibit B-2, and which includes milestones, tasks, timing and schedule(s) for installing, testing, training and transitioning the applicable Products, Third Party Products, or Services to Customer, including the allocation of responsibilities for the same between McKesson and Customer.

“Interface” means any software or hardware (or combination thereof) needed to cross a boundary between systems that is required for any (a) Software, Third Party Software, or Services to work appropriately with any Customer purchased or licensed software or hardware, or (b) Customer purchased or licensed software or hardware to work appropriately with any other Customer licensed or purchased software or hardware.

“Interface Engine” means software or hardware (or combination thereof) that provides a hub for any Interface that is required in order for any (a) Products, Third Party Products, or Services to work appropriately with any Customer licensed or purchased software or hardware, or (b) Customer licensed or purchased software or hardware to work appropriately with any other Customer licensed or purchased software or hardware.

“Learning Units” means the units of training and tools from McKesson’s Customer Education Solutions team that may be purchased by Customer and provided by McKesson hereunder.

“McKesson Implementation Services Guide” means McKesson’s written procedures for providing Implementation Services for the applicable Software, Third Party Software, or Services as set forth in the applicable McKesson Implementation Services Guide and related documents, incorporated herein by reference, as may be reasonably modified by McKesson from time to time.

“McKesson Interface” means any McKesson provided Interface required for any software or hardware previously licensed or purchased by Customer from McKesson to work appropriately with the Software, Third Party Software, or Services licensed or purchased in this Contract Supplement.

“Non-McKesson Interface” means any Customer provided Interface required in order for any software or hardware previously licensed or purchased by Customer from other than McKesson to work
appropriately with the Software, Third Party Software, or Services licensed or purchased in this Contract Supplement.

"Time and Materials Fee" means McKesson's hourly prevailing rate(s) set forth on this Contract Supplement for providing Implementation Services multiplied by the actual (not estimated) hours or days spent by McKesson in providing Implementation Services, including all hours incurred by McKesson (both at Customer's site and at various McKesson sites, whether or not previously estimated) to perform the required Implementation Services, including tasks, administrative duties, status reports, problem analysis, attendance of meetings or telephone calls, and research of Customer questions and issues.
## EQUIPMENT

<table>
<thead>
<tr>
<th>Product No.</th>
<th>Product Description</th>
<th>Unit Price</th>
<th>Qty.</th>
<th>Extended List Price</th>
<th>Net Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>82008125</td>
<td>Multi-Application Solution - GX420t Thermal Printer - Zebra</td>
<td>$1,145</td>
<td>1</td>
<td>$1,145</td>
<td>$615</td>
</tr>
<tr>
<td></td>
<td>GX420t Thermal Printer - Zebra</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>82011002</td>
<td>Honeywell 1900 Scanner with 16ft Coiled Cable</td>
<td>$555</td>
<td>1</td>
<td>$555</td>
<td>$3,440</td>
</tr>
<tr>
<td></td>
<td>Honeywell 1900 Scanner with 16ft Coiled Cable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>82011010</td>
<td>CPRS GX420t-Lbls</td>
<td>$794</td>
<td>1</td>
<td>$794</td>
<td>$610</td>
</tr>
<tr>
<td></td>
<td>CPRS GX420t-Lbls</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>82008126</td>
<td>Warranty Uplift - Multi-Application Solution GX420t Printer</td>
<td>$90</td>
<td>1</td>
<td>$90</td>
<td>$90</td>
</tr>
<tr>
<td></td>
<td>3-yr ZebraCare comprehensive warranty for GX420t Printers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>82011005</td>
<td>Wnty Uplift - Honeywell 1900 Scanner with 16ft Coiled Cable</td>
<td>$66</td>
<td>10</td>
<td>$660</td>
<td>$660</td>
</tr>
<tr>
<td></td>
<td>Wnty Uplift - Honeywell 1900 1-Day Turnaround, Comprehensive Coverage</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Managed Services Peripherals Equipment Total:**  
$8,239 $5,415

**Equipment Total:**  
$8,239 $5,415

## TECHNOLOGY SERVICES

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>86500031</td>
<td>System Staging Services for Wireless / Peripheral</td>
<td>$150</td>
<td>1</td>
<td>$150</td>
<td>$150</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>System Staging Services for Wireless / Peripherals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Technology Services Total:**  
$150 $150 $0
EXHIBIT C-2
EQUIPMENT CONFIGURATION & RELATED PROFESSIONAL SERVICES

Technology Services

San Joaquin General Hospital
MSOWD v2.0, MSM

Configuration Number 45555.9
Customer Number: 1013274
Configuration Created: 5/6/2014
Quote Expires: 7/5/2014

Configuration Terms & Conditions

McKesson Solution Guarantee

For 1 year from the live date, if the Software does not perform in material compliance with the Documentation, and the non-compliance with the Documentation is a direct and proximate result of an Equipment specification or staging error on McKesson's part, then McKesson will procure and replace the non-conforming Equipment. This provision applies only to the Software versions specified in the Equipment configurations and only for the performance sizing statistics provided by Customer. This provision will apply only on the express conditions that:

-- 1 -- Customer licenses the Software and procures the McKesson-specified Equipment and all related Services solely from McKesson

-- 2 -- McKesson stages the Equipment including installing the Software

-- 3 -- Customer selects and uses a McKesson-certified storage area network

-- 4 -- Customer has fully satisfied its obligations regarding Implementation Services and is not otherwise in breach of this Agreement

For avoidance of doubt, this provision does not apply to hardware malfunctions or defects, which are expressly excluded hereunder.

Additional Terms and Conditions

All configurations expire and are invalid sixty -60- days after they are originally created. After expiration, configurations must be re-created prior to contract. Expired configurations included in a contract are considered estimates only and are non-binding.

Travel expenses incurred by McKesson are not included in any of the Technology Services fees and will be billed as incurred.

Unless stated otherwise, all local and wide area network connectivity is the responsibility of the Customer.

Staging Services pricing is based on Customer procuring Equipment from McKesson. If Customer procures Equipment from another vendor, Staging pricing will need to be based on Customer owned Equipment and pricing will be modified.

If Customer relies on this custom configuration to purchase equipment from a vendor other than McKesson, McKesson's sole obligation for configuration errors is to identify any additional equipment that may be needed to correct the configuration errors.
Technology Services

Customer: San Joaquin General Hospital
Project: Managed Services Peripherals

Applications Supported

This solution assumes
What is your preferred Intel hardware Vendor? Dell
Enter the Quantity of McKesson/Honeywell 1902BT for Horizon Tissue Manager: 0
Enter the Quantity of McKesson/Honeywell 1902BT/AP for Horizon Tissue Manager: 0
Has Product Development authorized custom sizing? No
Select the McKesson Application from the dropdown for MSO Wireless and Peripheral Products: Horizon Tissue Manager

Enter qty of Symbol LS2208 scanners for Horizon Tissue Manager: 0
Enter qty of GX420t Printers for Horizon Tissue Manager: 1
Enter the Quantity of McKesson/Honeywell 1900 tethered scanner for Horizon Tissue Manager: 10

Enter the quantity of Code/McKesson CR1400 tethered for Horizon Tissue Manager: 0
Enter the quantity of Code/McKesson CR2600 cordless handle for Horizon Tissue Manager: 0
Enter the quantity of Code/McKesson &nbsp; CR2600 cordless palm &nbsp;&nbsp;&nbsp;&nbsp; &nbsp; 0
&nbsp;&nbsp; Horizon Tissue Manager:
Enter the quantity of Code/McKesson &nbsp; CR2600 &nbsp; handle cordless with BT modem for Horizon Tissue Manager: 0
Code/McKesson &nbsp; CR2600 &nbsp; palm cordless with BT modem for Horizon Tissue Manager: 0

Configuration Notes

Equipment included in this quote is McKesson specific and built to order, please allow 3-4 weeks for delivery.
SECTION 1: EQUIPMENT

1.1 Purchase and Sale of Equipment. Subject to the terms of this Agreement, McKesson agrees to sell to Customer, and Customer agrees to purchase from McKesson, the Equipment specified herein.

1.2 Equipment Delivery. Title and all risk of loss or damage to Equipment (excluding Third Party Software) will pass to Customer upon Delivery. “Delivery” for shipped Equipment is FOB Origin, Freight Prepaid &Added to Customer’s invoice. McKesson will invoice on Delivery. McKesson will not place any order for Equipment before Customer confirms it is ready to receive the Equipment. Once the order is placed by McKesson, the order becomes firm and non-cancelable. Equipment is not returnable except for warranty repairs.

1.3 Partial Shipments and Substitutions. McKesson may make partial shipments of Equipment, to be separately invoiced and paid for when due. Delay in delivery of any installment will not relieve Customer of its obligation to accept any subsequent installments. McKesson may substitute Equipment (based on availability at time of purchase) with manufacturer recommended replacements that are of equal or better performance. Any resulting price change will be reflected in Customer’s invoice. Customer acknowledges that Software releases listed on Equipment configurations are for Equipment configuration purposes only and may represent future versions of the Software that Customer may receive, if and when available, as part of Software Maintenance Services.

1.4 Equipment Warranties. McKesson warrants that the Equipment, when installed, will conform in all material respects to its published functional specifications and will be in good working order.

1.5 Site Preparation. Customer agrees to prepare the Facility(ies) or Data Center(s), at Customer’s sole expense, for installation of the Equipment (including any required cabling) and Software in accordance with the applicable McKesson Site Preparation Guide, and Customer will provide all assistance reasonably required by McKesson to install and configure the Equipment and Software.
EXHIBIT D-1

ADDITIONAL TERMS

SECTION 1: PROFESSIONAL RESPONSIBILITY AND CLINICAL CONTENT DISCLAIMER

1.1 CUSTOMER ACKNOWLEDGES AND AGREES THAT ANY CLINICAL CONTENT FURNISHED BY MCKESSON HEREUNDER (WHETHER SEPARATELY OR INCLUDED WITHIN A PRODUCT) IS AN INFORMATION MANAGEMENT AND DIAGNOSTIC TOOL ONLY AND THAT ITS USE CONTEMPLATES AND REQUIRES THE INVOLVEMENT OF TRAINED INDIVIDUALS. CUSTOMER FURTHER ACKNOWLEDGES AND AGREES THAT MCKESSON HAS NOT REPRESENTED ITS PRODUCTS AS HAVING THE ABILITY TO DIAGNOSE DISEASE, PRESCRIBE TREATMENT, OR PERFORM ANY OTHER TASKS THAT CONSTITUTE THE PRACTICE OF MEDICINE. THE PARTIES AGREE THAT, AS BETWEEN CUSTOMER AND MCKESSON, CUSTOMER IS RESPONSIBLE FOR THE ACCURACY AND QUALITY OF CUSTOMER DATA AS INPUT INTO THE PRODUCTS. CUSTOMER FURTHER ACKNOWLEDGES AND AGREES THAT MCKESSON HAS NOT REPRESENTED ITS PRODUCTS AS HAVING THE ABILITY TO DIAGNOSE DISEASE, PRESCRIBE TREATMENT, OR PERFORM ANY OTHER TASKS THAT CONSTITUTE THE PRACTICE OF MEDICINE. THE PARTIES AGREE THAT, AS BETWEEN CUSTOMER AND MCKESSON, CUSTOMER IS RESPONSIBLE FOR THE ACCURACY AND QUALITY OF CUSTOMER DATA AS INPUT INTO THE PRODUCTS.

SECTION 2: INTERNET DISCLAIMER

2.1 CERTAIN PRODUCTS AND SERVICES PROVIDED BY MCKESSON UTILIZE THE INTERNET. MCKESSON DOES NOT WARRANT THAT SUCH SERVICES WILL BE UNINTERRUPTED, ERROR-FREE, OR COMPLETELY SECURE. MCKESSON DOES NOT AND CANNOT CONTROL THE FLOW OF DATA TO OR FROM MCKESSON'S OR CUSTOMER'S NETWORK AND OTHER PORTIONS OF THE INTERNET. SUCH FLOW DEPENDS IN LARGE PART ON THE INTERNET SERVICES PROVIDED OR CONTROLLED BY THIRD PARTIES. ACTIONS OR INACTIONS OF SUCH THIRD PARTIES CAN IMPAIR OR DISRUPT CUSTOMER'S CONNECTIONS TO THE INTERNET (OR PORTIONS THEREOF). ACCORDINGLY, MCKESSON DISCLAIMS ANY AND ALL LIABILITY RESULTING FROM OR RELATED TO THE ABOVE EVENTS.

SECTION 3: DEFINITIONS

For purposes of this Contract Supplement, the following terms, as such terms are used herein or in the Agreement shall have the following meanings:

"Clinical Content" means medical, clinical, or billing and coding information such as terminology, vocabularies, decision support rules, alerts, drug interaction knowledge, care pathway knowledge, standard ranges of normal or expected result values, and any other clinical content or rules provided to Customer under an Contract Supplement, together with any related Documentation and Upgrades. Depending on the intended usage, Clinical Content may be provided in either paper or electronic formats. Examples of Clinical Content include the InterQual® Clinical Decision Support Criteria, Clinical Evidence Summaries, InterQual® SmartSheets, KnowledgePacks, MIC – ED PC, MIC – ED PC and Medical Necessity Content. Clinical Content may be either (a) owned by McKesson or (b) Third Party Clinical Content.
“Enhancements” means enhancements or new releases of the Software, Documentation, Clinical Content, or Services providing new or different functionality that are separately priced and marketed by McKesson.

“Live Date” means Software Installation Date.

“Maintenance Services” means Software Maintenance Services and Equipment Maintenance Services. Maintenance Services do not include services required as a result of (a) improper use, abuse, accident or neglect, including Customer’s failure to maintain appropriate environmental conditions for the Products, or (b) modifications or additions to the Products.

“Medical Necessity Content” means rules, including diagnosis and procedure code pairs developed by the Centers for Medicare and Medicaid Services and Medicare Administrative Contractors, related to Medicare payment eligibility for medical services, treatment procedures, and medical technologies, including medical necessity determination.

“Prevailing Rate” means the McKesson standard fee(s) in effect for the applicable Software, Clinical Content, or Services, on the date that the Software, Clinical Content, or Services are to be provided.

“Products” means Software, Equipment, Clinical Content and any other products that McKesson provides to Customer pursuant to this Contract Supplement.

“Services” means Implementation Services, Maintenance Services, Processing Services, Professional Services, Subscription Services, Technology Services, Remote Hosting Services, and any other services that McKesson provides to Customer under this Contract Supplement.

“Software Installation Date” or “Services Installation Date” means the earlier of (a) the date when the Software or Service, as applicable, is first available for Productive Use, or (b) the date specified in the applicable implementation plan when the Software or Service, as applicable, is intended to be available for Productive Use, except that such date will be extended for each day that the Product or Service is not available for Productive Use due to direct fault of McKesson.

“Upgrades” means corrections, modifications, improvements, updates or releases of the Software, Documentation, Clinical Content, or Services designated by McKesson as “Upgrades,” which are Generally Available and generally provided to customers as part of Software Maintenance Services. Upgrades do not include Enhancements.
CONTRACT SUPPLEMENT


THIS CONTRACT SUPPLEMENT, including all Exhibits, Schedules, and Attachments hereto and incorporated herein (this “Contract Supplement”) amends the agreement identified above including all Exhibits, Schedules, and Attachments thereto, and as amended (the “Agreement”), and is made effective as of this ______ day of _______ 2014 (the “CS Effective Date”). Unless otherwise expressly set forth in this Contract Supplement, the terms and conditions set forth in this Contract Supplement apply only to the Facilities, Software, and/or Services listed herein. To the extent that this Contract Supplement conflicts with the Agreement, the terms and conditions of this Contract Supplement shall control. Where not in conflict, all applicable terms and conditions set forth in the Agreement are incorporated herein.

<table>
<thead>
<tr>
<th>EXHIBITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
</tr>
<tr>
<td>A-1</td>
</tr>
<tr>
<td>A-2</td>
</tr>
<tr>
<td>B</td>
</tr>
<tr>
<td>C</td>
</tr>
</tbody>
</table>

The pricing in this Contract Supplement and McKesson’s corresponding offer to Customer expires unless McKesson receives this Contract Supplement signed by Customer on or before June 30, 2014.

McKesson will include Customer’s purchase order (“PO”) number on Customer invoices if provided by Customer on or before the CS Effective Date. If this Contract Supplement includes an amount equal to or greater than $10,000, a copy of Customer’s PO must be attached. Failure to provide McKesson with a PO number or copy does not suspend or negate any Customer duty, including payment, under this Contract Supplement. Pre-printed terms and conditions on or attached to Customer’s PO shall be of no force or effect.

By signing this Contract Supplement, Customer acknowledges and agrees that (a) McKesson has made no warranty or commitment with regard to any functionality not Generally Available as of the CS Effective Date, whether or not included as part of Software Maintenance Services, for any of the Software licensed in this Contract Supplement and (b) Customer has not relied on the availability of any future version of the purchased Product or any other future Product in executing this Contract Supplement and (c) the decision by Customer to execute this Contract Supplement was not influenced by any discussions regarding future functionality of any Software or Services not Generally Available.
Each signatory hereto represents and warrants that it is duly authorized to sign, execute, and deliver this Contract Supplement on behalf of the party it represents.

San Joaquin General Hospital

Signature: __________________________
Printed Name: ______________________
Title/Position: _______________________
Customer PO#: ______________________
Date: ______________________________

McKesson Technologies Inc.

Signature: __________________________
Printed Name: Andy Arias
Title/Position: Upgrade Specialist
Date: 5/26/14
Email: Andy.Arias@McKesson.com

McKesson Sales Center
Thank you for your business

Phone: (404) 338-3667
Fax: (678) 459-0858

Approved as to Form
DAVID WOOTEN
County Counsel

By: __________________________
Assistant County Counsel
EXHIBIT A

FACILITIES, FEES SUMMARY, PAYMENT SCHEDULE AND ADMINISTRATION

FACILITIES:

<table>
<thead>
<tr>
<th>Customer No.</th>
<th>Facility</th>
<th>Full Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>1013274</td>
<td>San Joaquin General Hospital *</td>
<td>500 West Hospital Road</td>
</tr>
<tr>
<td></td>
<td></td>
<td>French Camp, CA 95231</td>
</tr>
</tbody>
</table>

(NOTE: It is not necessary to list offices of physicians or other caregivers with privileges at a Facility.)

*Location of Customer's Data Center

FEES SUMMARY:

<table>
<thead>
<tr>
<th>Products and Services</th>
<th>One-Time Fees</th>
<th>Estimated T&amp;M Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software (Third Party):</td>
<td>$3,207</td>
<td></td>
</tr>
<tr>
<td>Implementation / Professional Services:</td>
<td>$148,685</td>
<td>$2,784</td>
</tr>
<tr>
<td>GRAND TOTALS:</td>
<td>$151,892</td>
<td>$2,784</td>
</tr>
</tbody>
</table>

PAYMENT SCHEDULE:

Software (Third Party): 100% is due on the CS Effective Date.

Implementation / Professional Services: Fixed Fee: 50% shall be due the earlier of week one of Upgrade or six (6) months after Contract Supplement Effective Date. The remaining 50% shall be due earlier of week of the live date or 12 months after Contract Supplement Effective Date.

Time & Materials: 100% is due monthly as incurred, billed in arrears.

The transaction covered by this Contract Supplement may involve a discount, rebate or other price reduction on the items covered by this Contract Supplement. Customer may have an obligation to report such price reduction or the net cost in its cost reports or in another appropriate manner in order to meet the requirements of applicable federal and state anti-kickback laws, including 42 U.S.C. Sec. 1320a-7(b)(3)(A) and the regulations found at 42 C.F.R. Sec. 1001.952(g) and (h). Customer will be responsible for reporting, disclosing, and maintaining appropriate records with respect to such price reduction or net cost and making those records available under Medicare, Medicaid, or other applicable government health care programs.

Unless Customer provides McKesson prior to the CS Effective Date satisfactory evidence of exemption (including evidence of renewal if applicable) from applicable sales, use, value-added, or other similar taxes or duties, McKesson will invoice Customer for all such taxes applicable to the transactions under this Contract Supplement.
<table>
<thead>
<tr>
<th>Sold To:</th>
<th>Ship To: Software licensed under this Contract Supplement will be delivered via electronic delivery or physical media.</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Joaquin General Hospital</td>
<td>San Joaquin General Hospital</td>
</tr>
<tr>
<td>500 West Hospital Road</td>
<td>500 West Hospital Road</td>
</tr>
<tr>
<td>French Camp  CA 95231</td>
<td>French Camp  CA 95231</td>
</tr>
<tr>
<td></td>
<td>Attention: Don Johnston</td>
</tr>
<tr>
<td></td>
<td>Telephone: (209) 468-6790</td>
</tr>
<tr>
<td></td>
<td>Facsimile: (209) 468-6546</td>
</tr>
<tr>
<td></td>
<td>E-mail: <a href="mailto:djohnston@sjgh.org">djohnston@sjgh.org</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bill To:</th>
<th>Paid By:</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Joaquin General Hospital</td>
<td>San Joaquin General Hospital</td>
</tr>
<tr>
<td>P.O. Box 1499</td>
<td>500 West Hospital Road</td>
</tr>
<tr>
<td>Attn: Accounts Payable</td>
<td>French Camp  CA 95231</td>
</tr>
<tr>
<td>French Camp  CA 95231</td>
<td>Attention: Don Johnston</td>
</tr>
<tr>
<td>Attention: Don Johnston</td>
<td>Telephone: (209) 468-6790</td>
</tr>
<tr>
<td>Telephone: (209) 468-6790</td>
<td>Facsimile: (209) 468-6546</td>
</tr>
<tr>
<td>Facsimile: (209) 468-6546</td>
<td>E-mail: <a href="mailto:djohnston@sjgh.org">djohnston@sjgh.org</a></td>
</tr>
</tbody>
</table>
**EXHIBIT A-1**

**PRODUCTS AND PRICING**

<table>
<thead>
<tr>
<th>Product No.</th>
<th>Module / Description</th>
<th>Third Party SW</th>
<th>List Software License Fee</th>
<th>Net Software License Fee</th>
<th>Annual Software Maintenance Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>72026523</td>
<td>McKesson Surgical Manager Crystal 2011 Bundle (10 thread)</td>
<td>X</td>
<td>$3,207</td>
<td>$3,207</td>
<td></td>
</tr>
</tbody>
</table>

- 1 10-Thread license for MSM Prod
- 2 3-Thread licenses for MSM Test and Train
- 3 3-Thread licenses for BEM Prod, Test, Train
- Includes 6 Crystal Report writer licenses

**Software (Perpetual) Total:** $3,207 N/A

<table>
<thead>
<tr>
<th>Implementation / Professional Services Product No.</th>
<th>Module / Description</th>
<th>Product Family</th>
<th>List Price</th>
<th>QTY</th>
<th>Net Price</th>
<th>Estimated T&amp;M Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>86000780</td>
<td>Supply Chain Management Upgrade</td>
<td>McKesson Supply Chain Mgt</td>
<td>$72,593</td>
<td>1</td>
<td>$72,593</td>
<td></td>
</tr>
</tbody>
</table>

**HEMM 11 SP2 to version MSCM 16 upgrade including Server Migrations & SQL Upgrade; New Feature Education**

Pending hardware review and approval as Windows/SQL 2008 required.

| 86001083                                           | McKesson Surgical Manager Upgrade Perioperative Services | McKesson Surgical Manager | $43,132 | 1   | $43,132   |                     |

**Periop 14.0.3 to 16.1 base technical upgrade services .**

| 74000538                                           | McKesson Surgical Manager Perioperative Implementation | McKesson Surgical Manager | $174    | 16  |           | $2,784             |

**Time and Materials**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>86000480</td>
<td>McKesson Surgical Manager Upgrade Base Services</td>
<td>McKesson Surgical Manager</td>
<td>$27,960</td>
<td>1</td>
<td>$27,960</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**HSM 14.0.3 to MSM 16.1 base technical upgrade services**

| 74015848                                         | McKesson Surgical Manager Upgrade Base Services | McKesson Surgical Manager | $5,000   | 1   | $5,000    |                     |

**Data migration services to support Windows/SQL 2008 OS upgrade.**

**Implementation / Professional Services Total:** $148,685 $2,784
SECTION 1: THIRD PARTY TERMS AND CONDITIONS

1.1 This Contract Supplement incorporates the Third Party Terms set forth in Exhibit C.

SECTION 2: SERVICES

2.1 Time and Materials Fee(s) for Services involving training and education assume those Services must be used by Customer within 18 months after the CS Effective Date, with no refunds or credits being due Customer for the same.

SECTION 3: INTERNET DISCLAIMER

3.1 CERTAIN PRODUCTS AND SERVICES PROVIDED BY MCKESSON UTILIZE THE INTERNET. MCKESSON DOES NOT WARRANT THAT SUCH SERVICES WILL BE UNINTERRUPTED, ERROR-FREE, OR COMPLETELY SECURE. MCKESSON DOES NOT AND CANNOT CONTROL THE FLOW OF DATA TO OR FROM MCKESSON’S OR CUSTOMER’S NETWORK AND OTHER PORTIONS OF THE INTERNET. SUCH FLOW DEPENDS IN LARGE PART ON THE INTERNET SERVICES PROVIDED OR CONTROLLED BY THIRD PARTIES. ACTIONS OR INACTIONS OF SUCH THIRD PARTIES CAN IMPAIR OR DISRUPT CUSTOMER’S CONNECTIONS TO THE INTERNET (OR PORTIONS THEREOF). ACCORDINGLY, MCKESSON DISCLAIMS ANY AND ALL LIABILITY RESULTING FROM OR RELATED TO THE ABOVE EVENTS.

SECTION 4: MANNER OF SOFTWARE DELIVERY

4.1 At Customer’s request, the Software licensed on this Contract Supplement including Software provided as part of McKesson’s Software Maintenance Services, will be delivered via electronic download, provided that McKesson makes available electronic download of said Software to its customers in general.

SECTION 5: DEFINITIONS

For purposes of this Contract Supplement, the following terms, as such terms are used herein or in the Agreement shall have the following meanings:

“Enhancements” means enhancements or new releases of the Software, Documentation, Clinical Content, or Services providing new or different functionality that are separately priced and marketed by McKesson.

“Maintenance Services” means Software Maintenance Services and Equipment Maintenance Services. Maintenance Services do not include services required as a result of (a) improper use, abuse, accident or neglect, including Customer’s failure to maintain appropriate environmental conditions for the Products, or (b) modifications or additions to the Products.

“Products” means Software, Equipment, Clinical Content and any other products that McKesson provides to Customer pursuant to this Contract Supplement.

“Professional Services” means any consulting, programming or other professional services that McKesson provides to Customer pursuant to this Contract Supplement.

“Time and Materials Fee” means McKesson’s hourly Prevailing Rate(s) set forth herein for providing Services multiplied by the actual (not estimated) hours or days spent by McKesson in providing Services, including all hours incurred by McKesson (both at Customer’s site and at various McKesson sites, whether or not previously estimated) to perform the required Services, including tasks, administrative duties, status
reports, problem analysis, attendance of meetings or telephone calls, and research of Customer questions and issues.

"Upgrades" means corrections, modifications, improvements, updates or releases of the Software, Documentation, Clinical Content, or Services designated by McKesson as "Upgrades," which are Generally Available and generally provided to customers as part of Software Maintenance Services. Upgrades do not include Enhancements.
McKesson’s Professional Service team is pleased to offer our customers an upgrade service path that ensures an expedited outcome with the highest value gained from the latest product functionality. These services are delivered by industry leading experts who will provide technical and operational assistance with high quality, predictable outcomes. The information below outlines the Objectives, Activities, and Deliverables that have been developed as a result of a proven record of success and valued outcome.

McKesson’s Implementation Methodology consists of seven major phases: Project Planning and Management, Assess and Design, Build, Test, Train, Activate and Transition. Each phase includes a standard set of objectives, activities.

Customer’s responsibilities and general resource needs are outlined below. Some tasks and deliverables may vary by individual product implementation. Project Schedules describe the tasks and responsibilities required for implementation of particular products and will be reviewed with the customer prior to commencement of the project. McKesson standard project schedule is maintained in Microsoft Project® and we expect that the Customer will use Microsoft Project and Visio during the implementation. If necessary, Customer may need to acquire the necessary competencies to be proficient in these applications prior to the start of overall implementation planning events, as an alternative approach may impact the project timeline.

Estimated Project Duration:

The upgrade process is 6 to 7 months on average from kickoff to transition to Customer Support. The principal time variable is the upgrade testing period, testing results, resolutions and additional services purchased in conjunction with the upgrade.

Expected Upgrade Duration
Month 1-2: Hardware procurement and Functional Assessment.
Month 3-5: Actual Upgrade, i.e. Process, Test, Go-live, Education, etc
Month 6-7: Transition, Follow up Functional Assessment visit 1 month after go live

Project Assumptions:

1. All McKesson effort will be conducted during weekday business hours. Any other time will need to scheduled and mutually agreed upon. Additional fees may be incurred.
2. All EDI communication must be transitioned over to Ecommerce prior to Live Upgrade. EDI migration to Ecommerce software, services and hardware are considered out of scope. Any existing custom reports (developed by McKesson or the Customer) are considered out of scope.
3. Education provided within this project is exclusive to the new cumulative features/version the customer is upgrading to.
PHASE ONE: PROJECT PLANNING & MANAGEMENT

Project Planning & Management is a key driver for project success. Project Planning & Management activities span the lifecycle of an implementation and include seven components required to ensure high quality business results: Assessment (Functional and Technical Review), Scope, Quality, Financials, Communications, Schedule, and Risks. (Depending on the product and the timeline and complexity of the project, some of these components may not be required)

The objectives, activities, and key deliverables from the Project Planning & Management phase are noted in the following table. The project team, which is comprised of both McKesson and Customer resources, is responsible for executing the activities to meet the objectives in each phase of the project.

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Activities</th>
<th>McKesson Deliverables</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Confirm Project Charter, finalize Project Schedule, agree on project organization and establish project infrastructure</td>
<td>• Implementation readiness assessment</td>
<td>• Develop Project Charter</td>
</tr>
<tr>
<td>• Identify and secure resource commitments</td>
<td>• Technical assessment</td>
<td>• Provide standard Project Schedule</td>
</tr>
<tr>
<td>• Mobilize team and conduct Kick-Off Meeting</td>
<td>• Scope management</td>
<td>• Tailor Project Schedule to fit Customer environment</td>
</tr>
<tr>
<td>• Validate organizational and technical readiness for implementation</td>
<td>• Schedule management</td>
<td>• Maintain Project Schedule over the duration of the project</td>
</tr>
<tr>
<td>• Monitor and manage the project and assigned resources</td>
<td>• Risk management</td>
<td>• Identify McKesson project resources</td>
</tr>
<tr>
<td>• Ensure timely reporting and communication of project status, activities, issues, risks, and milestones</td>
<td>• Financial management</td>
<td>• Document, manage, and resolve issues</td>
</tr>
<tr>
<td></td>
<td>• Quality management</td>
<td>• Develop risk mitigation plan</td>
</tr>
<tr>
<td></td>
<td>• Communication management</td>
<td>• Develop the communication plan</td>
</tr>
<tr>
<td></td>
<td>• Software integration planning</td>
<td>• Document and manage project scope</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Distribute monthly status reports</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Manage weekly project status meetings</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Facilitate implementation readiness and &quot;lessons learned&quot; sessions</td>
</tr>
</tbody>
</table>
Project Management Customer Responsibilities

- Review and provide input into the Project Charter
- Capture baseline performance metrics
- Tailor Project Schedule to fit Customer environment
- Monitor Project Schedule over the duration of the project
- Identify Customer project resources
- Document, manage, and resolve issues
- Document and manage risks
- Document and execute communication plan
- Document and manage scope management process
- Participate in weekly project status meetings
- Participate in "lessons learned" sessions
- Provide input for implementation readiness and technical assessments

PHASE TWO: ASSESS & DESIGN

The goal of the Assess & Design phase is to design a future state solution that meets the defined business objectives. This Phase includes an on-site "Functional Assessment" of which the goal is to assess the current state and review organizational goals. The objectives, activities, and key deliverables from the Assess and Design phase are noted in the following table.

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Project Activities</th>
<th>McKesson Deliverables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review Objectives</td>
<td>Functional Assessment</td>
<td>Stage and deliver hardware and software</td>
</tr>
<tr>
<td>Review organization goals</td>
<td>Implementation workflow process review and gap analysis</td>
<td>Facilitate implementation workflow process review</td>
</tr>
<tr>
<td>Determine Key areas of focus</td>
<td>Technical staging</td>
<td>Document gaps between current state and McKesson-recommended future state based on organization business needs and goals</td>
</tr>
<tr>
<td>Document interviews and observations of key areas of focus</td>
<td>Project team training</td>
<td>Document baseline business objectives</td>
</tr>
<tr>
<td>Document Operational process workflow from key areas of focus</td>
<td>Process and technology design</td>
<td>Co-develop product training schedule</td>
</tr>
<tr>
<td>Assess gaps between current state and McKesson-recommended future state</td>
<td>Direct interview of current state in key focus areas</td>
<td>Provide process and application lessons learned</td>
</tr>
<tr>
<td>Build consensus on the new workflow, policies and procedures, and software reporting</td>
<td>Direct observations in key focus areas of current state</td>
<td>Review and provide input to documented future state business processes and application design</td>
</tr>
<tr>
<td>Establish baseline performance metrics</td>
<td>Document workflows of current state for gap analysis</td>
<td></td>
</tr>
</tbody>
</table>

Assess & Design Customer Responsibilities
- Configure data center and receive hardware
- Co-develop product training schedule
• Document and communicate future state business processes and application design
• Schedule organizational resources for the current state workflow process review
• Participate in the current state workflow process review
• Capture and document baseline business objectives

**PHASE THREE: BUILD**

The Build phase includes the configuration of the application and related supporting business processes to meet the specifications documented during the Assess & Design phase. The objectives, activities and deliverables for the Build phase are noted in the following table:

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Project Activities</th>
<th>McKesson Deliverables</th>
</tr>
</thead>
</table>
| • Install and configure McKesson software to new and migrate databases from old to new servers | • Provide an upgraded fully functional test environment  
• Application development  
• Policy and Procedure development | • Upgrade test and production database in the new server environment following all steps in the Upgrade Guide  
• Install test Interfaces  
• Upgrade E-procurement (if applicable)  
• Upgrade SCA test environment (if applicable)  
• Install/Validate Integration  
• Install the ERP Portal product  
• Provide an approximate downtime needed for the production upgrade  
• Review and educate on recommended practice policies and procedures for application use  
• Review and educate on recommended practice policies and procedures for software maintenance |
| • Execute upgrade against the test database of client's latest production backup copy | • Upgrade E-procurement test environment (if applicable)  
• Upgrade SCA test environment (if applicable)  
• Install Integration server  
• Validate the touch points are integrated (as applicable)  
• Instruct how to install the application client  
• Upgrade the interfaces in test  
• Develop policies & procedures to optimize system capabilities and accomplish project objectives | |
| • Create an Fax test environment (if hardware available) | | |
| • Upgrade E-procurement test environment (if applicable) | | |
| • Create an Fax test environment (if hardware available) | | |
| • Install Integration server  
• Validate the touch points are integrated (as applicable)  
• Instruct how to install the application client  
• Upgrade the interfaces in test  
• Develop policies & procedures to optimize system capabilities and accomplish project objectives | | |
Build Customer Responsibilities
• Install application client on the test workstations
• Update Security changes in test
• Document policies and procedures
• Implement Software maintenance policies and procedures

PHASE FOUR: TEST

During the Test Phase, the project team confirms that the Application design and build conform to specifications. The objectives, activities, and deliverables for the Test phase are noted in the following table:

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Project Activities</th>
<th>McKesson Deliverables</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Validate Software functionality and integration</td>
<td>• Develop testing approach</td>
<td>• Provide sample test approach, functional test scenarios, and integration test scenarios</td>
</tr>
<tr>
<td>• Validate data integrity</td>
<td>• Develop testing materials</td>
<td>• Provide test assistance and issue resolution</td>
</tr>
<tr>
<td>• Validate new workflow and policies/procedures for department use and Software maintenance</td>
<td>• Execute functional test</td>
<td>• Participate in test audit</td>
</tr>
<tr>
<td></td>
<td>• Execute integration test</td>
<td>• Review the McKesson test plan along with roles and responsibilities and recommended testing scenarios</td>
</tr>
<tr>
<td></td>
<td>• Perform test audit</td>
<td>• Provide support for mock go-live testing by having Requisition users, Buyers, Receivers, and Accounts Payable clerks go through day-in-the-life scenarios.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Provide detailed recap of the upgrade education along with answers to any open questions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Provide on-going remote support for client questions and/or issues</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Provide additional education as needed</td>
</tr>
</tbody>
</table>
Test Customer Responsibilities
- Review and confirm test approach
- Document customized functional and integration test scenarios
- Conduct functional tests
- Conduct integration test

**PHASE FIVE: TRAINING**

The goal of the Training phase is to educate the users on the use of the application regarding and related business processes. The objectives, activities, and deliverables for the Training phase are noted in the following table:

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Project Activities</th>
<th>McKesson Deliverables</th>
</tr>
</thead>
</table>
| - Support Customer in activities to educate/train end users on process changes and Software use | - Develop training approach  
- Develop training curriculum  
- Develop training materials  
- Deliver training  
- Conduct proficiency audit | New Feature education which includes the following:  
- Provide an agenda two weeks ahead of time outlining the topics that will be reviewed during the education week  
- Provide an enhancement document with screen shots documenting the new functionality  
- Provide education on the enhancements from the clients current live version to latest service pack release  
- Provide detail demonstrations on each new feature and how it functions along with recommendations for application setup and/or build  
- Examine current processes and how the new features may enhance the clients current state  
- Review and provide input to documented training materials  
- Review functional training attendance and evaluations |
Training Customer Responsibilities
- Provide an available training room with overhead projector along with PC's that can connect to the test environment
- Provide education agenda to the appropriate users who will be attending the sessions
- Develop training approach
- Communicate training approach across organization
- Create custom training materials
- Schedule train-the-trainer sessions
- Schedule and conduct user training
- Conduct proficiency tests and audit the results
- Conduct course evaluations

PHASE SIX: ACTIVATION

The Activation phase consists of a sequence of tasks that move the application into a production state. Unless otherwise specified, Activation will occur at the first instance of software in productive use; subsequent deployment activities may require Additional Services. The objectives, activities and deliverables for the Activation phase are noted in the following table:

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Project Activities</th>
<th>McKesson Deliverables</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Execute upgrade against the production database of client’s latest production backup copy</td>
<td>- Upgrade production environment</td>
<td>- Develop and document Activation approach</td>
</tr>
<tr>
<td>- Upgrade the Fax server in production</td>
<td>- Develop activation approach</td>
<td>- Provide standard Activation plan and materials</td>
</tr>
<tr>
<td>- Upgrade the HSS production environment (if applicable)</td>
<td>- Develop activation materials</td>
<td>- Review and provide input to customized Activation materials</td>
</tr>
<tr>
<td>- Upgrade the SCA production environment (if applicable)</td>
<td>- Activate</td>
<td>- Schedule Activation audit</td>
</tr>
<tr>
<td>- Install Integration server and validate the touch points are integrated (if applicable)</td>
<td>- Conduct pre-activation audit</td>
<td>- Execute assigned Activation tasks</td>
</tr>
<tr>
<td>- Upgrade the interfaces in production</td>
<td></td>
<td>- Upgrade production environment following the Upgrade Guide</td>
</tr>
<tr>
<td>- Develop the necessary preparation materials to support a successful activation</td>
<td></td>
<td>- Upgrade production Interface/Translator</td>
</tr>
<tr>
<td>- Support Customer in the use and maintenance of the Software throughout Activation</td>
<td></td>
<td>- Upgrade Fax</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Upgrade HSS (if applicable)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Upgrade SCA (if applicable)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Install/Validate Integration (if applicable)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Install or Upgrade ERP Portal</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Document and resolve Activation issues</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Participate in Activation status meetings and communicate status to McKesson constituents</td>
</tr>
<tr>
<td>Objectives</td>
<td>Project Activities</td>
<td>McKesson Deliverables</td>
</tr>
<tr>
<td>------------</td>
<td>-------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Activation Support includes the following:</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Complete ancillary system upgrade tasks such as fax station and handheld upgrades</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Support the client when verifying access to the application and performing data verification</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Verify all systems are running successfully.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Provide support to end user departments with any application questions or issues</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Detailed recap of the week’s activities including client follow-up to any outstanding questions</td>
</tr>
</tbody>
</table>

**Activation customer responsibilities:**

- Install application client on the production workstations
- Update Security changes in production
- Develop and document Activation approach
- Review and modify the Activation plan
- Customize Activation materials
- Communicate Activation process across the organization

- Participate in Activation audit
- Execute assigned Activation tasks
- Document and resolve Activation issues
- Conduct Activation status meetings and communicate status to customer constituents
- Access to the application production environment
- Remote access to the servers
PHASE SEVEN: TRANSITION AND MONITORING

The Transition phase focuses on analyzing the results of the project and transitioning application support to McKesson Customer Support. The transition Phase is followed by a “Functional Review,” as detailed below, that will follow 30 days Post Transition.

The objectives, activities, and deliverables for the Transition phase are noted in the following table:

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Project Activities</th>
<th>McKesson Deliverables</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Assess business results</td>
<td>• Develop transition materials</td>
<td>• Document and package project working papers</td>
</tr>
<tr>
<td>• Transition Customer to McKesson Customer Support</td>
<td>• Document business results</td>
<td>• Schedule and conduct transition meeting</td>
</tr>
<tr>
<td>• Measure Customer satisfaction with the project</td>
<td>• Conduct transition</td>
<td>• Report of agreed up on opportunities with next steps to move forward with.</td>
</tr>
<tr>
<td>• Reinforce findings and recommendations based on the functional assessment report</td>
<td>• Review findings and recommendations based on the functional assessment report</td>
<td>• Provide and document agreed upon recommendations and guidance on defining opportunities</td>
</tr>
<tr>
<td>• Define next steps for functional enhancements</td>
<td>• Process and functional review sessions</td>
<td>• Facilitate and document future strategies</td>
</tr>
<tr>
<td>• Provide system/process overview</td>
<td>• Document next step</td>
<td></td>
</tr>
<tr>
<td>• Define process changes required for current state opportunities.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Transition and Monitoring Customer Responsibilities:

• Document and package project working papers
• Capture and document actual business results and compare to baselines
• Decide which recommendation to move forward with.
• Schedule organizational resources for the future state workflow process review
• Participate in the future state workflow process review
• Capture and document baseline business metrics to achieve future state
• Attend transition meeting
McKesson Surgical Manager Periop version 15 to 16 Upgrade

Service Path

| Project Duration: | The upgrade process is an estimated 17 weeks on average from kickoff to go-live. The principal time variable is the upgrade training, testing period, testing results, resolutions and additional services purchased in conjunction with the upgrade. |

Application Assumptions

1. The customer is currently live on McKesson Surgical Manager version 15.0. Services include a 1-year subscription to HSM Upgrade eLearning Package with unlimited end user access and a remote new feature education webinar. There are no on-site visits for the new release upgrade. If McKesson is requested onsite by the customer for weekend go live or for any on-site activity other than the visits included in the base fee, additional implementation fees will be necessary.

2. Services include:
   - 1 remote Periop screen review,
   - 1 new feature education webinar,
   - 2 on-site Business Advisor meetings
   - 1 remote Periop chart administration technical training.

Agendas are available and will be provided by your project manager. If McKesson is requested onsite by the customer for weekend go live or for any on-site activity other than the visits included in the base fee, additional implementation fees will be necessary.

3. A remote technical system audit will be performed by a McKesson Technical Implementation Engineer (TIE). The audit will include a review MSM from a daily, weekly and monthly system maintenance perspective and includes an audit report of findings and recommendations. Additionally, the McKesson TIE will provide a one hour remote overview of the audit and training on recommended MSM maintenance tasks. It is a requirement that the customer select at least one representative to be available to review findings and complete this training.

4. Scope of work does NOT include implementation of the following components unless already live with one of the below, or it is specifically listed in the service agreement:
   - MSM Surgical Report Interface
   - A60 Allergy Interface
   - MSM Link to Horizon Physician Portal

5. The customer's hardware must be evaluated to ensure minimum requirements are met or new hardware is ordered to accommodate the new release.
6. **Perioperative Chart Services**

MSM Perioperative screens will be upgraded to only include the new features available in release 16. In an effort to standardize the Large Data Page, no other additions will be made to the screens.

**Assumptions**

- This ServicePath is standalone Periop and does not include Clinical integration services
- McKesson will be responsible for setting up new report location(s) and delivering education to the customer on new reporting processes.
- Customer will be responsible for testing their own custom reports prior to go live. Assistance with modifying existing reports can be purchased by using the optional T&M line item on the upgrade contract.

**In Scope**

- Services included assume modifications to the chart in productive use (one chart only unless specified herein)
- Services include current phases in production only
- Maintaining existing integrated fields in production
- Maintaining custom fields on the Large Data Page where functionality cannot be duplicated with user defined Legend fields
- Replacing custom fields on the Large Data Page with user defined Legend fields
- Replacing custom fields on the Large Data Page with Standard fields
- Replacing custom fields on the Large Data Page with Legend fields on the Flowsheet

**Out of Scope**

- Modifying or deleting standard fields or lists — hiding certain fields via Field Set DD depending on workflow to be addressed by customer
- Moving existing fields or sections while maintaining a non-standard section order
- Adding new fields or sections not previously in production use
- Relabeling fields — customer may select to perform this post final screen delivery via Field Set DD
- Any new integrated fields
- Upgrading custom reports whether created by McKesson or by the customer. This includes reports that are run from links within the Periop chart.

7. Additional fees will apply for implementing new features or functionality that would require interfaces not currently in the production environment. Additional fees may also apply for upgrading interfaces, data conversion, or custom report conversions.

8. If the contract covers multiple facilities/entities, the implementation work plan will indicate they will be upgraded and will be going live with the New Release at the same time. If Customer wants to stagger the go-lives additional implementation fees will be necessary.
9. The customer will be transitioned to McKesson Support 3 days following the production upgrade.

10. If the customer chooses not to implement any of the Scope of Work components during single project schedule then additional services will be required to implement during a subsequent phase.

11. During the implementation, the customer must ensure the availability of resources to assist McKesson personnel in the upgrade implementation process. The customer resource profile includes:
   - Project Manager
   - Executive Sponsor
   - Technical Project Manager from Monitor/Device Vendor
   - Technical Analyst from Customer site
   - System Administrator for Pathways Healthcare Scheduling and McKesson Surgical Manager
   - Clinical Workflow Experts: Advises and assist with build, test and train activities.
   - Training Experts: Develops training materials and delivers training to end users.
   - MSM Web Developer: expertise in web development and little OR or MSM experience.
     - Experience with XHTML, XML, and Dreamweaver
     - Web development
     - Working knowledge of SQL (Oracle and SQL Server)
     - Have administrative access to MSM servers

12. Remote connectivity Support Options:
   In order for McKesson Services and Product Support personnel to provide timely support and troubleshoot on Customer systems one of the following McKesson approved Remote Access network connectivity and Remote Control solutions must be provisioned and installed:

<table>
<thead>
<tr>
<th>Remote Access to customer network</th>
<th>Remote Control of customer PC's and Servers</th>
</tr>
</thead>
<tbody>
<tr>
<td>CareBridge (128K minimum) *</td>
<td>MS Remote Desktop</td>
</tr>
<tr>
<td></td>
<td>Best</td>
</tr>
<tr>
<td>Site-to-Site VPN *</td>
<td>MS Terminal Server w/Citrix MetaFrame</td>
</tr>
<tr>
<td></td>
<td>Good</td>
</tr>
</tbody>
</table>

* There is a setup and monthly maintenance fee associated with these solutions.

13. Each supported customer system must have file compression utility, such as WinZip installed and have access to put and get files to the McKesson Services and Support FTP site: ftp://ftp.hboc.com/. Authentication information will be provided by McKesson Services or Support personnel.
# IMPLEMENTATION RESPONSIBILITIES

<table>
<thead>
<tr>
<th>Project Phase</th>
<th>Customer Responsibilities</th>
<th>McKesson Responsibilities</th>
</tr>
</thead>
</table>
| Planning, Assessment, and Project Management | - Complete the MSM upgrade questionnaire  
- Participate actively in the upgrade assessment process  
- Verify receipt of the enhancement software  
- Designate resources according to listed Customer Resource Profile for the upgrade  
- Develop work plan with assistance from McKesson  
- Develop infrastructure plan and order hardware (if necessary)  
- Execute Customer Implementation Project tasks and activities as outlined in the Work Plan  
- Participate in status meetings  
- Update issues in PointinSight with assistance from McKesson  
- Deliver project kick-off meetings with McKesson  
- Co-develop product training schedule | - Establish McKesson Upgrade project team  
- Develop work plan with assistance from Customer  
- Provide project management activities related to:  
  - Facilitation and coordination of McKesson cross-functional activities  
  - Provide ‘single point of contact’ for product specific upgrade issues  
  - Deliver upgrade documentation  
  - Coordinate routine conference calls to address status, problem resolution and other issues affecting the project  
  - Conduct Kick-off call and Planning and analysis assistance |
| Review and Build              | - Confirm technical environment installation and setup: Server operating system, Drive configuration, Network communications, Microsoft SQL software  
- Work with McKesson to ensure access to MSM system for setup of New Release Software  
- Perform database refreshes as needed  
- Implement system maintenance policies and procedures  
- Perform all pre-installation tasks as set forth in the enhancement documentation  
- Obtain network logins/passwords for upgrade  
- Coordinate downtime procedures with all departments affected by the upgrade  
- Provide test system as necessary to accommodate SQL.  
- Upgrade OS to supported version as necessary  
- Complete database building and testing for enhancement functionality  
- Review Customer end-user support procedures  
- Review Customer technical support procedures  
- Identify and resolve process and procedural issues | - Consult on the technical environment setup for McKesson Surgical Manager  
- Perform Test, Train & Production system upgrade: (Additional Environments will require more services.)  
  - PHS Servers if standalone  
  - Reports Server  
  - Database Server  
  - Web Server  
- Verify MSM components and communications  
- Execute McKesson Implementation Project tasks and activities outlined in the Work Plan  
- Consult on end-user support procedures  
- Consult on technical support procedures  
- Consult on database building and testing for enhancement functionality  
- Prioritize and respond to open issues to be resolved |
| Test                          | - Develop application test plans from test plan template provided by McKesson | - Provide test plan template  
- Provide remote assistance with |
<table>
<thead>
<tr>
<th>Project Phase</th>
<th>Customer Responsibilities</th>
<th>McKesson Responsibilities</th>
</tr>
</thead>
</table>
| Train         | • Conduct initial stress testing, record response times and error messages, repeat as needed:  
        - Verify functionality of MSM components, features, and communications  
        - Load test system confirm production environment and test are in synch  
        • Test workflow procedures  
        • Test technical procedures and processes  
        • Identify and resolve process and procedural issues  
        • Test user support procedures  
        • Conduct application, device and performance testing | application testing and issue resolution  
        • Provide remote assistance with system feature, function, and stress testing  
|               | **Train**  
• Develop overall training plan  
• Develop Customer end-user training  
• Schedule and conduct user training for MSM users  
• Execute Customer end-user education                                                                                     | **Train**  
• Consult on development of Customer end-user training plan                                                                                               |
| Activate /   | • Identify Customer end-user support needs  
• Develop productive use plan and identify key people for productive use support  
• Set up and verify operational productive use environments  
• Prepare for first productive use  
• Complete initial first productive use event  
• Evaluate project  
• Transition from Implementation Project to McKesson national support                                                                     | **Activate / Monitor**  
• Review technical downtime procedures  
• Assist with verification of operational training and productive use environments  
• Review final preparation of productive use plan: resources and interface activation  
• Provide remote productive use support  
• Provide structured transition to McKesson national support |
| Monitor       | | |
EXHIBIT C

THIRD PARTY TERMS AND CONDITIONS

(See following pages)
BUSINESS OBJECTS
(Business Objects/Crystal Products)

SECTION 1: THIRD PARTY BENEFICIARY

Customer is notified that Crystal Decisions CD Software Information Management Group, Inc., or its successors ("Crystal Decisions") and its suppliers are third-party beneficiaries to the Customer's agreement with McKesson to the extent it relates to use of the Business Objects/Crystal Software (the "CD Software"). Such provisions are made expressly for the benefit of Crystal Decisions and its suppliers and are enforceable by both OEM and Crystal Decisions.

SECTION 2: DUAL MEDIA

If the CD Software package contains more than one form of media, such as a 3.5" diskette and a CD-ROM, then Customer may use only the media appropriate for Customer's computer or computer system. Customer may not use the other media on another computer or loan, rent, lease, or transfer them to another except as part of the permanent transfer (as provided above), of all CD Software and written materials.

SECTION 3: NO WARRANTY

To the maximum extent permitted by applicable law, the software is provided by Crystal Decisions and its suppliers "as is" without any condition or warranty whatsoever. All conditions and warranties, whether express or implied, are disclaimed by Crystal Decisions and its suppliers, including, without limitation, the implied conditions and/or warranties of merchantability, title, noninfringement and fitness for a particular purpose. Crystal Decisions and its suppliers shall not be liable for any direct, indirect, incidental, consequential, special or other damages.

SECTION 4: MISCELLANEOUS

The terms and conditions herein state the entire agreement with Customer relative to any Crystal Decisions CD Software, and supersede any prior agreement, whether written or oral, relating to the subject matter hereof. The parties disclaim the application of the United Nations 1980 Convention on Contracts for the International Sale of Goods. This Contract Supplement is governed by the laws of the State of California, U.S.A., without reference to conflict of laws principles. Customer may not export or re-export the CD Software or documentation without the appropriate United States or foreign government licenses. If any provision of this Contract Supplement is ruled invalid, such invalidity shall not affect the validity of the remaining portions of this Contract Supplement.

SECTION 5: U.S. GOVERNMENT RIGHTS

The CD Software is a "commercial item," as that term is defined at 48 C.F.R. 2.101 (Oct. 1995), consisting of "commercial computer software" and "commercial computer software documentation," as such terms are used in 48 C.F.R. 12.212 (Sept. 1995). Consistent with 48 C.F.R. 12.212 and 48 C.F.R. 227.7202-1 through 227.7202-4 (June 1995) (or an equivalent provision, e.g., in supplements of various U.S. government agencies, as applicable), all U.S. Government users acquire the CD Software with only those rights set forth herein. Manufacturer is Crystal Decisions, Inc., 895 Emerson Street, Palo Alto, CA 94301.

Customer must affix the following legend to each copy of the CD Software:

"Use, duplication, reproduction, or transfer of this commercial software and accompanying documentation is restricted in accordance with FAR 12.212 and DFARS 227.7202 and by a license agreement. Contact: Crystal Decisions, Inc., Attn: Contracts Administration, 895 Emerson Street, Palo Alto, CA 94301."
SPECIFIC PRODUCT USE RESTRICTIONS:

CRYSTAL ENTERPRISE STANDARD/PROFESSIONAL

Crystal Enterprise

SECTION 1: DEFINITIONS

1.1 "Access" means either a direct or remote connection to the CD Software, previously installed on one or more network or web server(s).

1.2 "APS" means a component of the CD Software (filename "crystalaps.exe") that resides on a Server (defined below).

1.3 "APS Cluster" means a group of one or more installations of the APS executable on one or more Servers which function as a single APS.

1.4 "Concurrent Access License" or "CALs" means the limited license for a predefined number of users to Access the CD Software simultaneously, as further described in Section 4.

1.5 "Named User" means one specifically identified individual authorized to Access the CD Software.

1.6 "Named User License" means the limited license to Access the CD Software only by the Named User, as further described in Section 4.

1.7 "Processor License" means the aggregate number of Server Processors that are capable of running any component of the CD Software (except the Web Connector and Report Publishing Wizard) at any time, as further described in Section 4.

1.8 "Project" means one or more APS providing common or substantially similar Reports from common data sources.

1.9 "Report" means any work or document created using a Crystal software product, regardless of resulting file format.

1.10 "Server Processor" means the central processing unit (CPU) of a Server. "Server" means a computer upon which CD Software components are installed, and to which other computers connect, in order for end-users to Access the CD Software.

1.11 "CD Software" means the software provided on Customer’s software media in object code form and associated documentation, any updates, additional modules, or additional software provided by Crystal in connection therewith; but shall not include any promotional software or other software product provided in the same package, which shall be governed by the online software license agreements included with such promotional software or software product.

SECTION 2: USE OF LICENSED PROGRAMS

Crystal Enterprise Standard, if available, may be licensed on either a concurrent access or per processor basis, and may be installed only on a single server (the single server may have more than one processor physically installed within it). Crystal Enterprise Professional may be licensed on a concurrent access, Named User, combination of concurrent access and Named User, or per processor basis; and may be installed on multiple servers. Customer acknowledges that Crystal may control the number of NUL(s), CAL(s), and other licensed CD Software components, including the use of such components, pursuant to key codes.

2.1 Named User License. When Access to the CD Software is licensed on a Named User basis, each individual Named User must be specifically identified as the sole holder of a Named User License (“NUL”) and must possess an accompanying authorized personal “Unique User ID” as described in the documentation (a “UUID”) permitting Access to the CD Software components corresponding to such NUL. The individual Named User may install and/or
Access only those CD Software components for which he or she has obtained a NUL and accompanying authorized UUID. At any time, Customer may have only as many UUID(s) defined and Accessing the CD Software as the number of NUL(s) Customer has received from Crystal, as set forth in Customer’s particular ordering documentation. The sharing of the UUID and/or NUL by more than one individual is expressly prohibited and is a material breach of this Contract Supplement. In addition, NUL(s) and UUID(s) may not be transferred from one individual to another unless the original end user no longer requires, and is no longer permitted, Access to the CD Software. NUL(s) are assigned to a particular APS or APS Cluster, and may not be shared between different APS’s or APS Clusters.

2.2 Concurrent Access License (“CAL”). When use of the CD Software is licensed on a concurrent access basis, Customer obtains the right to provide Access to the CD Software for an unlimited number of end users, provided that the aggregate number of end users Accessing the CD Software at any one time does not exceed the number of CALs Customer has obtained. CAL(s) are assigned to a particular APS or APS Cluster, and may not be shared between different APS’s or APS Clusters.

2.3 Processor License. When use of the CD Software is licensed on a per processor basis, Customer obtains the right to allow Access to the CD Software by an unlimited number of end-users. For Crystal Enterprise Standard, if available, Customer may install the CD Software components on only a single server; for Crystal Enterprise Professional Customer may install the CD Software components on multiple servers. However, in either case, the aggregate number of processors on the server(s) running any CD Software component(s) (except the Web Connector and Report Publishing Wizard) may not exceed the number of processors licensed. If the aggregate number of processors on the server(s) running any CD Software component(s) exceeds the number of processors licensed, Customer will need to receive additional licenses from Crystal after paying the appropriate additional license fee.

2.4 Report Distribution License. Customer may use the CD Software to regularly deliver, distribute or share Reports to persons outside of the Crystal Enterprise environment (for example, to e-mail recipients using the Schedule to Destination feature) (a) to a number of persons that does not exceed the number of Named User licenses Customer has acquired, (b) to a number of persons that does not exceed 6 times the number of Concurrent Access Licenses Customer has acquired, or (c) if Customer have a processor license, to an unlimited number of users. Customer may not use the CD Software to regularly deliver, distribute or share reports to users outside of the Crystal Enterprise environment other than as provided above, unless Customer has acquired a Report Distribution License from Crystal Decisions. A Report Distribution License is not required for: (a) distribution of Reports in hard copy form, including distribution of paper copies by facsimile; or (b) manual distribution on a one-time or ad hoc basis. If Customer acquires a Report Distribution License, Customer may use the CD Software to regularly deliver, distribute or share Reports outside of the Crystal Enterprise environment to an unlimited number of users.

SECTION 3: OTHER RESTRICTIONS

Except as expressly permitted by this Contract Supplement, Customer hereby acknowledges and agrees that: (a) Customer will Access the CD Software only in connection with the processing and distribution to Customer’s employees, customers and business partners of: (i) Customer’s data, and (ii) any third-party data Customer has a right to process and distribute; (b) Customer will not use the CD Software, by itself or with other applications, on a timesharing basis or to operate a service bureau facility or service provider business for the benefit of third-parties; (c) Customer will not modify or translate the CD Software except as necessary to configure the CD Software using the menus, options and tools provided for such purposes and contained in the CD Software; (d) Customer will not in any way reverse engineer, disassemble or decompile the CD Software or any portion thereof except to the extent and for the express purposes authorized by applicable law notwithstanding this limitation; (e) Customer will not sublicense, assign, rent, sell, lease, distribute or otherwise transfer the CD Software or any of the rights granted by this Contract Supplement, unless Customer obtains a separate license from Crystal for such purposes; and (h) Customer will not use, distribute, integrate or provide for integration the CD Software with any general-purpose report writing or report delivery product that is generally competitive with Crystal Decisions product offerings, nor may Customer use the CD Software to develop any product that is generally competitive with Crystal product offerings. If Customer wishes to develop and/or test an interface to the CD Software or merge the CD Software with any other software, Customer shall inform Crystal and Crystal, at its option, may provide Customer with information sufficient to enable interoperability between the CD Software and such other software or products.
SECTION 4: CRYSTAL OFFLINE VIEWER

The license to the CD Software also includes a limited license to use the CD Software component known as the "Crystal Offline Viewer" as such component may be more fully described in the CD Software's documentation. Customer may install and use the Crystal Offline Viewer on multiple computers under Customer's control in the United States, and any other country to which the CD Software is legally exported, provided that the Crystal Offline Viewer is used only to view reports generated by the CD Software as permitted by and subject to the limitations contained in the Agreement, including but not limited to the report broadcast provisions of section 2.4. Customer's limited use of the Crystal Offline Viewer is subject to all of the terms and conditions of the Agreement.
CRYSTAL REPORTS PROFESSIONAL VERSION

SECTION 1: INTRODUCTION

Crystal Reports is an extensive product that may be used in many ways to deliver a wide range of data reporting and analysis needs, including end user report design, report server deployment, web reporting and enterprise report distribution. This Contract Supplement details the terms under which the various parts of the product may be used to meet those needs. Not all users will immediately take advantage of all Crystal Reports features and licensing options, so remember to review this agreement again before undertaking new projects.

SECTION 2: DEFINITIONS

2.1 “Report” means any work or document created using a Crystal Decisions software product, regardless of resulting file format.

2.2 “Report Distribution System” means any process or system or combination of processes or systems that is or are used to automatically and/or regularly deliver, share or distribute Reports, (a) to greater than fifty (50) end users directly, or (b) to a location that is accessible to greater than fifty (50) end users, who are reasonably likely to view or use the Reports. A Report Distribution System shall not include: (a) distribution of Reports in hard copy form; or (b) manual distribution on a one-time or ad hoc basis. For purposes of calculating the number of end users, Customer does not need to include any end user who otherwise has a valid license to use the Server CD Software or any of Crystal Decisions' other products (other than any product offered free of charge).

2.3 “Server Environment” is defined as any server system, licensed from Crystal Decisions or any other entity, that consists of one or more server software processes, operating independently or otherwise, including but not limited to report servers, web servers, database servers, terminal servers, application servers or transaction servers, mail servers, facilitated by an internet, intranet, “xtranet”, client/server network, wide-area network, or any other multi-user network.

2.4 “CD Software” means the software provided on Customer’s software media in object code form and associated documentation, any updates, additional modules, or additional software provided by Crystal Decisions in connection therewith; but shall not include any promotional software or other software product provided in the same package, which shall be governed by the online software license agreements included with such promotional software or software product.

SECTION 3: GRANT OF LICENSE

Crystal Decisions, Inc. (“Crystal Decisions”) grants Customer a nonexclusive and limited license to use the Crystal Reports Professional CD Software accompanying this Contract Supplement, solely in accordance with the terms and conditions of the Agreement. The CD Software is licensed, not sold, to Customer.

SECTION 4: INSTALLATIONS AND USE

4.1 Use of the CD Software. The CD Software is licensed to Customer in one of five potential configurations: (1) Single User License (2) Multiple User License (3) Upgrade License (4) OEM License or (5) Evaluation/Not for Resale License. Customer may install and use (in the manner provided) only those configuration(s) for which Customer has obtained a license. Licenses for the CD Software are individual licenses. No license may be shared, in any capacity, by more than one individual end user. Customer’s use of the CD Software is governed by the terms of the Agreement and the additional terms set forth in this Section 3 that specifically apply to the type of license Customer has obtained.

4.2 Single User License. Customer may install and use a single copy of the CD Software on a single computer. Customer may access the CD Software from a hard disk, over a network, or by any other method; strictly in accordance with the terms hereof. Customer may use each licensed copy of the CD Software only on a single computer. Customer must acquire additional single user licenses or multiple user licenses (“Five User Packs”) for additional users to use the CD Software.
4.3 Multiple User License ("Five User Pack"). For each Five User Pack license Customer purchases, Crystal Decisions grants Customer a nonexclusive license to make a maximum of five (5) copies of the CD Software for a maximum of five (5) users to use the CD Software who may access the CD Software from a hard disk, over a network, or by any other method; strictly in accordance with the terms hereof.

4.4 Upgrade License. Customer may use one copy of the CD Software on a single computer, provided that (a) Customer has a valid license to use and are upgrading an earlier version of the CD Software or (b) Customer has a valid license to use and are upgrading one of an approved list of third party software products, which includes or “bundles” an earlier version of the CD Software. Acquisition of Upgrade Licenses are expressly limited to the direct proportional replacement of licenses previously licensed. By upgrading software that Customer has previously licensed (the “Previously Licensed CD Software”) in any of the manners indicated above, Customer no longer has the right to use the Previously Licensed CD Software and Customer may only use the upgrade license as set forth herein. Additional licenses may not be acquired as Upgrade Licenses.

4.5 OEM License. If Customer has acquired the CD Software bundled or otherwise provided in combination with a third party product, Customer has acquired an OEM License. Customer may use each license copy of the CD Software only on a single computer. The CD Software may only be used in conjunction with the third party product with which it was provided. Accessing data that is not specifically created or used by the third party product is in violation of this license. Customer may access the data from a hard disk, over a network, or by any other method; strictly in accordance with the terms hereof.

4.6 Evaluation/Not for Resale License. Customer may use one copy of the CD Software on a single computer, for a period as specified on the CD Software packaging. Customer is acquiring only the limited right to use a single copy of the CD Software for evaluation purposes. Customer is not acquiring any rights to the CD Software itself.

4.7 Creation of Report Distribution Systems. If Customer uses the CD Software separately or in combination with Server Environments, to create a Report Distribution System, Customer must acquire a Crystal Decisions Broadcast License as a separate and standalone offering from Crystal Decisions. Information on how to acquire Crystal Decisions Broadcast Licenses is set forth in the Crystal Decisions Broadcast License section of the file "license.hlp", provided with the CD Software.

SECTION 5: COMPETITIVE PRODUCT RESTRICTIONS

Customer may not include the CD Software or sample applications in any general-purpose report writing and/or database querying product, or any other product that is generally competitive with Crystal Decisions product offerings. If Customer wishes to distribute copies of the CD Software or sample applications on other terms, Customer must obtain written permission from Crystal Decisions.

SECTION 6: OTHER RESTRICTIONS

Except as expressly permitted by this Contract Supplement, Customer hereby acknowledges and agrees that: (a) Customer will not use the CD Software on a timesharing basis or to operate a service bureau facility for the benefit of third-parties unless Customer first acquires an Application Service Provider License from Crystal Decisions; (b) Customer will not modify or translate the CD Software except as necessary to configure the CD Software using the menus, options and tools provided for such purposes and contained in the CD Software; (c) Customer will not in any way reverse engineer, disassemble or decompile the CD Software or any portion thereof except to the extent and for the express purposes authorized by applicable law notwithstanding this limitation; (d) Customer will not transmit, or provide access to, the CD Software over a network except as expressly described in the associated documentation; (e) Customer will provide access to the CD Software only as allowed in the Agreement; (f) Customer will not sublicense, assign, rent, sell, lease, distribute or otherwise transfer the CD Software or any of the rights granted by this Contract Supplement, unless Customer obtains a separate license from Crystal Decisions for such purposes; and (g) Customer will not use the CD Software to develop any product that is generally competitive with Crystal Decisions product offerings. This Contract Supplement does not in itself give Customer any right to distribute the CD Software. If Customer wants to distribute the CD Software, Customer must obtain a CD Software distribution license from Crystal Decisions, e.g., an OEM or reseller license.